

**Agency Proposed Budget**

The following table summarizes the total executive budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Exec. Budget Fiscal 08-09
FTE	5.54	0.00	0.00	5.54	0.00	0.00	5.54	5.54
Personal Services	377,824	113,328	0	491,152	114,075	0	491,899	983,051
Operating Expenses	736,677	258,632	0	995,309	272,401	0	1,009,078	2,004,387
<b>Total Costs</b>	<b>\$1,114,501</b>	<b>\$371,960</b>	<b>\$0</b>	<b>\$1,486,461</b>	<b>\$386,476</b>	<b>\$0</b>	<b>\$1,500,977</b>	<b>\$2,987,438</b>
State/Other Special	1,114,501	371,960	0	1,486,461	386,476	0	1,500,977	2,987,438
<b>Total Funds</b>	<b>\$1,114,501</b>	<b>\$371,960</b>	<b>\$0</b>	<b>\$1,486,461</b>	<b>\$386,476</b>	<b>\$0</b>	<b>\$1,500,977</b>	<b>\$2,987,438</b>

**Agency Description**

The Consumer Counsel represents state-wide consumer interests in hearings before the Public Service Commission and like agencies. On behalf of the public of Montana, the counsel may initiate, intervene, and participate in appropriate proceedings before state or federal courts or administrative agencies. The Montana Consumer Counsel is part of the legislative branch and is overseen by the Legislative Consumer Committee. The Consumer Counsel is provided for by Article XIII, Section 2 of the Montana Constitution, and is governed by Title 5, Chapter 15, and Title 69, Chapters 1 and 2, MCA.

**Agency Highlights**

<b>Consumer Counsel Major Budget Highlights</b>	
◆	Funding for the agency increases 16.4 percent between the 2007 and 2009 biennia due to: <ul style="list-style-type: none"> <li>• Personal services statewide present law adjustments that fully fund two positions vacant for all or part of the base budget year</li> <li>• Requested increases in operating expenses including maintenance of the caseload contingency appropriation at \$250,000 per year</li> </ul>

**Agency Discussion***Goals & Objectives:*

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2007 biennium
- Goals and objectives and their correlation to the 2009 biennium budget request

The 2009 biennium funding for the agency increases 16.4 percent when compared to 2007 biennium funding due to increases in the statewide present law adjustment for personal services costs and a present law decision package requesting \$527,926 for the biennium for the caseload contingency appropriation and other anticipated cost increases. Section 69-1-223, MCA provides that a contingency appropriation may be made and utilized in the event of a caseload increase. Statute allows and the legislature has historically provided a contingency appropriation for this agency. For the past two biennia, the contingency appropriation has been \$250,000 per year. In FY 2006, the base budget year for the 2009 budget, \$43,000 was expended from the contingency appropriation. The contingency appropriation is typically used to contract for consultant and professional services to assist with cases. Consulting and professional services is the agency's largest category of expenditure and makes up about 60 percent of the agency's budget.

## Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as recommended by the legislative branch.

Program Funding Table						
Administration Program						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
02000 Total State Special Funds	\$ 1,114,501	100.0%	\$ 1,486,461	100.0%	\$ 1,500,977	100.0%
02801 Dep Rev Consumer Cncl Tax	1,114,501	100.0%	1,486,461	100.0%	1,500,977	100.0%
Grand Total	<u>\$ 1,114,501</u>	<u>100.0%</u>	<u>\$ 1,486,461</u>	<u>100.0%</u>	<u>\$ 1,500,977</u>	<u>100.0%</u>

The Consumer Counsel is funded by a constitutionally earmarked tax that is levied on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is specified in 69-1-223 and 224, MCA. Each year, the Department of Revenue (DOR) determines the total gross operating revenue generated by all regulated activities within the state for the previous fiscal year. DOR then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If collection of excess revenue occurs, the amount charged to the regulated utilities for the following year is reduced.

## Biennium Budget Comparison

The following table compares the legislative budget request in the 2009 biennium with the 2007 biennium by type of expenditure and source of funding. The 2009 biennium consists of actual FY 2006 expenditures and FY 2007 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	Present Law Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009	Total Biennium Fiscal 06-07	Total Exec. Budget Fiscal 08-09
FTE	5.54	0.00	5.54	5.54	0.00	5.54	5.54	5.54
Personal Services	491,152	0	491,152	491,899	0	491,899	861,620	983,051
Operating Expenses	995,309	0	995,309	1,009,078	0	1,009,078	1,703,885	2,004,387
<b>Total Costs</b>	<b>\$1,486,461</b>	<b>\$0</b>	<b>\$1,486,461</b>	<b>\$1,500,977</b>	<b>\$0</b>	<b>\$1,500,977</b>	<b>\$2,565,505</b>	<b>\$2,987,438</b>
State/Other Special	1,486,461	0	1,486,461	1,500,977	0	1,500,977	2,565,505	2,987,438
<b>Total Funds</b>	<b>\$1,486,461</b>	<b>\$0</b>	<b>\$1,486,461</b>	<b>\$1,500,977</b>	<b>\$0</b>	<b>\$1,500,977</b>	<b>\$2,565,505</b>	<b>\$2,987,438</b>

## Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the legislative branch. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
Fiscal 2008					Fiscal 2009				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				113,328					114,075
Inflation/Deflation				178					184
Fixed Costs				1,114					1,631
<b>Total Statewide Present Law Adjustments</b>				<b>\$114,620</b>					<b>\$115,890</b>
DP 1 - Present Law Base Adjustments									
0.00	0	257,340	0	257,340	0.00	0	270,586	0	270,586
<b>Total Other Present Law Adjustments</b>									
<b>0.00</b>	<b>\$0</b>	<b>\$257,340</b>	<b>\$0</b>	<b>\$257,340</b>	<b>0.00</b>	<b>\$0</b>	<b>\$270,586</b>	<b>\$0</b>	<b>\$270,586</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$371,960</b>					<b>\$386,476</b>

**LFD COMMENT**

The statewide present law adjustment for personal services includes almost \$84,000 to fully fund two positions that were vacant all or part of FY 2006, the base year for budget development. When the cost of fully funding vacant positions is excluded, personal services funding for the agency increases about \$29,000 or 7.8 percent. This includes annualization of the 2007 biennium pay plan provisions and increases in employee benefits such as health insurance.

**LFD COMMENT**

The agency indicates the last two attempts to recruit individuals to fill the vacant position have been unsuccessful. At the time of this writing, the agency is once again preparing to begin the recruitment process in an effort to fill this vacant position.

DP 1 - Present Law Base Adjustments - This decision package includes \$527,926 state special revenue for the biennium including \$414,000 for the contingency appropriation, \$59,358 for increases in professional and consulting services, \$29,520 for increases in travel expenses and \$25,048 for increases in other various operating expenditures. For the past two biennia a contingency appropriation of \$500,000 (\$250,000 per year) has been provided for costs associated with unanticipated caseload.

**LFD COMMENT**

The Consumer Counsel has included funding for increases in consulting and professional services due to inflation, travel, and rent in this decision package. In FY 2006 the professional and consulting services expenses of the agency were the second highest in the past six years, with only FY 2004 having higher expenditures in this category. However, travel expenses in FY 2006 were lower than the previous five years and equated to only about one-half of the average costs experienced in the past five years. Other operating expenses increase primarily due to an increase in office rental costs.